

# Individual Sense of Fairness: An Experimental Study

## Experiment Instructions

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February 2007

### APPENDIX A

*The experiment is begun by recruiting a volunteer from the subjects to serve as a monitor for the experiment. Once a subject has volunteered, the experimenter reads the following message to the rest of the participants.*

Thank you for participating in today's experiment. In a few moments, I will ask you to turn to the computer screen in front of you and log-in to the system. Once you have done so, you will be lead through a series of help screens detailing the choice task you will be asked to engage in as well as the interface you will be using. Please practice with the interface so that you understand well how it works.

You will be asked in this experiment to make 6 separate decisions concerning different lottery allocations. The first of these lotteries will be run according to the rules that will be detailed in the instructions. The next 5 will be hypothetical choices and will not be used to determine your earnings in this session. The lotteries will be run by the volunteer monitor using these two ten-sided dice to ensure that they are run fairly. The monitor will also observe and ensure that the proper amount of money is placed in each envelope.

If there are any questions during the experiment, please raise your hand and I will come to assist you. Are there any questions at this point?

Please log-in to the system and begin.

*Once the subjects login to the computer system, they are presented with a series of help screens leading them through the experiment. The first is another introduction screen.*

You have volunteered to participate in an economic experiment on decision making. If you have any questions during the experiment please raise your hand and ask the proctor.

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In this experiment, you will be asked to make a series of 6 choices. For each of these choices, you will be asked to make a decision concerning the chances to win a prize for a group consisting of yourself as well as two other participants in the room. One of you will be designated as player A, one player B and one player C. With each new choice, the group you are in will change but your player type will remain the same throughout the experiment. Player A will be presented with a choice of how to allocate the chances of winning a prize between the three group members. Players B and C will both be making choices that will have no impact on who wins the prize. At the conclusion of the experiment, the probabilities chosen by the player A's for the first choice will be used to award the prize associated with that decision. Once the prizes have been assigned, everyone will be paid their show-up fee and winnings in cash.

If at any point you have a question, please raise your hand and a proctor will help you. Please refrain from talking during the experiment and from looking at the screens of other participants.

*After they press a button to continue, a version of the interface, Figure 1, is brought up with a box along the left hand side that contains text explaining how the experiment will work. The first block of text orients them to some of the content of the interface screen.*

This is how the game screen will appear. When the game begins make sure to look up in the upper left corner of the screen to find your player id and player type. Please remember your player id to assist in paying you after the experiment. Your player type, remember, determines whether you are a decision maker choosing the real probabilities that will be used to award the prize or making a hypothetical choice. The type of choice you are making will be indicated just below your player type.

In each round, you will be presented with an initial allocation of chances to win the prize consisting of the initial chances out of 100 to win the prize for each player. In addition, directly above the graph you will find how much the prize would be worth to the winner.

*The next screen explains how players will make choices.*

At the beginning of the experiment, you will be randomly assigned a player type that will remain constant throughout the experiment. In each period, however, the group you are in will change.

If you are designated as a player of type A then you will be choosing how to allocate chances to win the prize in each period. At the beginning of each turn, you will be presented with an initial distribution. In this example player A has been allocated 50 chances to win, player B 5 and Player C 45. If you are player A, you will be able to use the slider bar at the bottom of the screen to change these probabilities.

*The third screen explain in general terms what players B and C will be doing and has the players practice moving the slider bar. As the text indicates, players could not advance past this screen without moving the slider bar.*

If you are designated as a player B or C you will be asked to make a hypothetical choice. You will also do this by moving the slider bar. Your choices will have no impact on anyone's payoffs.

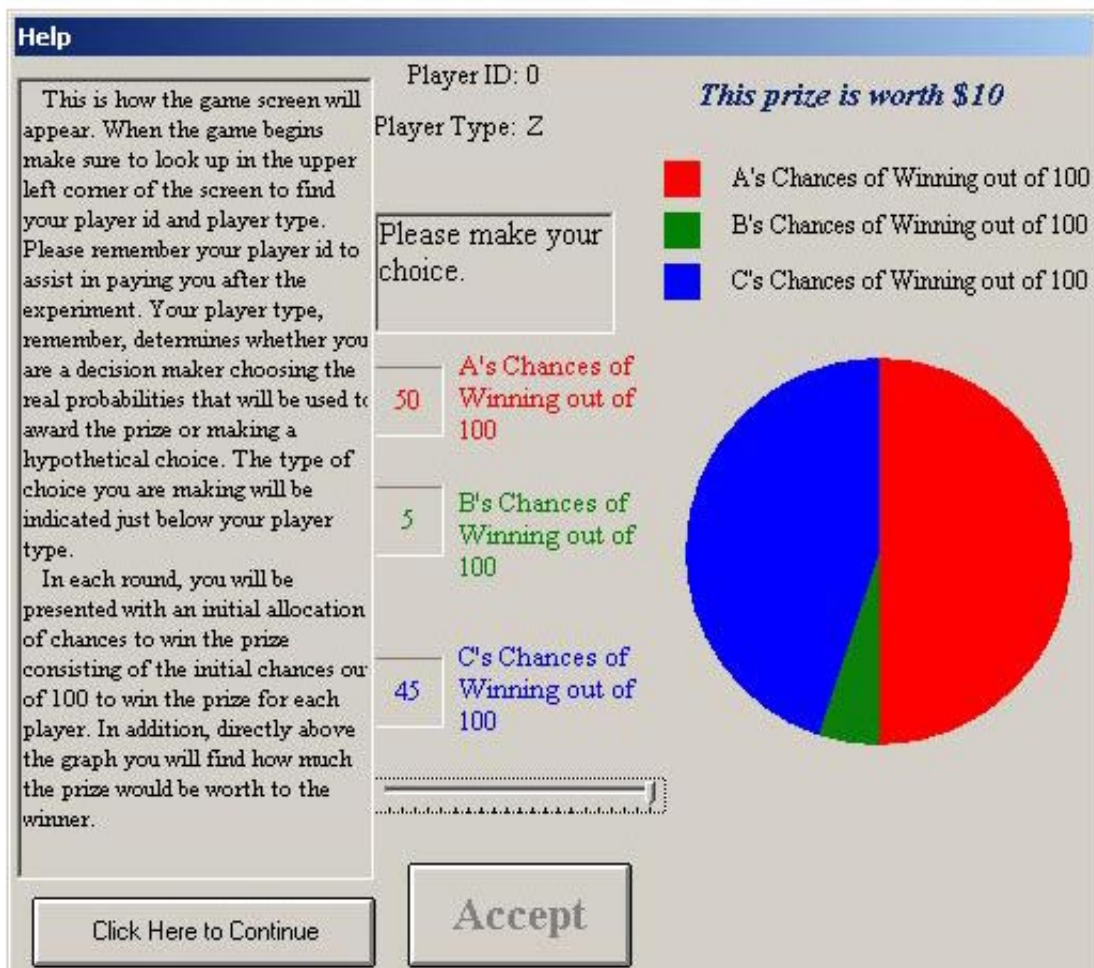


Figure 1: Screenshot of help screen.

Try moving the slider bar around now to see how it works. Notice that the graph on the right shows a pie chart representation of the possibility of each player winning. As you move the slider bar, the graph updates automatically as do the text boxes indicating the chances for each group member to win.

Note: You must try moving the bar to continue.

*The final screen explains how players submit their choices.*

Once you have made your choice for the allocation, click on the button labeled “Accept.” You will be asked to confirm your choice before it is sent on to the server. When everyone’s choices have been submitted, the groups will be reshuffled and you will move to the next choice.

Try making a selection with the slider bar clicking on the “Accept” button now to see how it works. Clicking on the “Continue” button now will begin the game.

*Once players advance past this screen, they enter into the actual experiment interface. Before all of the other subjects are finished with the instructions, all of the controls are greyed out and inactive and there is a dialog box on the screen asking the subjects to wait patiently. Once all subjects have finished the instructions, the dialog boxes disappear, the controls are enabled and the experiment begins.*